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CASEY
BY MIKE SHANAHAN
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WASHINGTON (AP) -- CIA DIRECTOR-DESIGNATE WILLIAM J. CASEY TESTIFIED TUESDAY THAT COVERT OPERATIONS AGAINST THE GOVERNMENTS OF OTHER NATIONS WOULD BE POSSIBLE UNDER RONALD REAGAN'S ADMINISTRATION, BUT ONLY ''WHEN IT IS IN THE HIGHEST INTERESTS OF THE UNITED STATES.''

IN CAREFUL, LOW KEY, SOMETIMES MUMBLED TESTIMONY, THE 67-YEAR-OLD CASEY SAID CIA OPERATIVES OVERSEAS SHOULD BE FREE TO MOUNT SOME SECRET LOWER LEVEL OPERATIONS WITHOUT FIRST OBTAINING PERMISSION FROM WASHINGTON.

HE TESTIFIED AT HIS CONFIRMATION HEARING BEFORE THE SENATE SELECT COMMITTEE ON INTELLIGENCE.

THE COMMITTEE CHAIRMAN, SEN. BARRY GOLDWATER, R-ARIZ., HAD SAID, ''IF WE DON'T HAVE OVERSEAS OFFICES FREE TO ACT COVERTLY, WE'RE GOING TO BE IN THE SAME FIX WE WERE IN VIETNAM WHERE PILOTS WEREN'T ABLE TO ATTACK TARGETS OF OPPORTUNITY.''

WITHOUT BEING SPECIFIC, CASEY AGREED, SAYING TIGHT RESTRICTION OF CIA FIELD AGENTS ''HAS THE DANGER OF IMPAIRING INITIATIVE.''

ASKED TO IDENTIFY AN EXAMPLE OF THE KIND OF OPERATION HE HAD IN MIND, CASEY CITED ''A MINOR JOURNALISTIC ENTERPRISE.''

''COVERT ACTION SHOULD BE USED ONLY WHEN IT'S OF GREATEST IMPORTANCE,'' SAID CASEY, WHOSE GOVERNMENT CAREER BEGAN AS AN OPERATIVE WITH THE OFFICE OF STRATEGIC SERVICES, THE WORLD WAR II INTELLIGENCE AGENCY AND PRECURSER OF THE CIA.

AN OPERATION INTERFERING IN THE INTERNAL AFFAIRS OF ANOTHER NATION ''IS THE KIND OF THING YOU DO ONLY WHEN IT'S IN THE HIGHEST INTERESTS OF THE UNITED STATES,'' HE SAID.

CASEY IS A NEW YORK LAWYER AND FORMER DIRECTOR OF THE PRESIDENT-ELECT'S ELECTION CAMPAIGN, WHO HAS BEEN IN AND OUT OF REPUBLICAN ADMINISTRATIONS FOR MOST OF HIS ADULT LIFE.

UNDER FORMER PRESIDENT RICHARD M. NIXON, CASEY WAS CHAIRMAN OF THE SECURITIES AND EXCHANGE COMMISSION, UNDERSECRETARY OF STATE FOR ECONOMIC AFFAIRS AND CHAIRMAN OF THE EXPORT-IMPORT BANK.

IN 1976, HE WAS NAMED A MEMBER OF THE FOREIGN INTELLIGENCE ADVISORY BOARD.

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CASEY WAS ALSO ASKED IF HE WOULD REVISE EXISTING CIA RULES GENERALLY FORBIDDING THE RECRUITMENT OF JOURNALISTS AND CLERICS AS CIA OPERATIVES OR SPIES IN FOREIGN NATIONS.

''I START OUT WITH THE FEELING THAT NO AMERICAN SHOULD BE DEPRIVED OF SERVING HIS COUNTRY IN ANY WAY HE CAN WITHOUT EXCEPTION,'' SAID CASEY. ''I RECOGNIZE THE SENSITIVITY OF CERTAIN PROFESSIONS.''

HE PLEDGED TO KEEP THE COMMITTEE FULLY INFORMED OF ANY CHANGES IN EXISTING RULES FOR CLANDESTINE OPERATIONS, AND GIVE IT ADVANCE NOTICE OF SIGNIFICANT SECRET ACTIVITIES, INCLUDING ANY '' MAJOR SUBSTANTIAL CLANDESTINE OPERATIONS WHICH ENTAIL EMBARRASSMENT OR DANGER.''

CASEY RECEIVED ALMOST UNIVERSALLY SYMPATHETIC TREATMENT FROM THE COMMITTEE, WITH ONLY A FEW SCATTERED REFERENCES ABOUT INTELLIGENCE ABUSES IN THE 1950S AND 1960S WHICH LED TO CREATION OF THE PANEL.

GOLDWATER, R-ARIZ., SAID A VOTE WOULD BE TAKEN SOMETIME THURSDAY ON THE NOMINATION AND UNANIMOUS APPROVAL SEEMED LIKELY.

AS THE NEW INTELLIGENCE CHIEF, CASEY SAID HE WOULD SEEK TO REVERSE ''INSTITUTIONAL SELF-DOUBT'' WITHIN THE CIA WHICH HAS RESULTED FROM TOO HARSH CRITICISM OF THE AGENCY'S FAILURES.

''THE MORALE OF MUCH OF THE AGENCY IS LOW,'' SAID CASEY. ''TOO OFTEN THE AGENCY HAS BEEN PUBLICLY DISCUSSED AS AN INSTITUTION WHICH MUST BE TIGHTLY RESTRAINED, STRINGENTLY MONITORED OR TOTALLY REORGANIZED,'' HE SAID.

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